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# Attitudes of Portsmouth Residents Towards an Education Scholarship Tax-Credit Program

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Attitudes of Portsmouth Residents towards an Education Scholarship Tax-Credit Program

A Research Paper Presented to the Graduate  
Faculty of the Department of STEM Education and  
Professional Studies at Old Dominion University

In Partial Fulfillment of the Requirements for  
the Degree Master of Science in Occupational  
and Technical Studies

By  
Scott William Bogle

August 2012

## **SIGNATURE PAGE**

This research paper was presented by Scott William Bogle under the directions of Dr. John Ritz for SEPS 636, Problems in Occupational and Technical Studies. The report was submitted to the Graduate Program Director as partial fulfillment of the requirements for the Degree of Master of Science in Occupational and Technical Studies.

APPROVED BY:

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## **CHAPTER I**

### **INTRODUCTION**

The state of Virginia is among the worst states in the nation when it comes to educational freedom. In 2001, the Manhattan Institute for Policy Research published its second edition of the Education Freedom Index (EFI). The EFI measures the “extent of government-subsidized or -regulated educational choices offered to families in each state” (Greene, 2001, p. 1). The index is based on four components: charter-school choice, subsidized private-school choice, home-schooling choice, and public-school choice. Based on these four factors the state of Virginia was ranked as the 42<sup>nd</sup> state in the nation for educational freedom. When looking at the individual components of the EFI, the state of Virginia ranks 36<sup>th</sup> in charter-school choice, 38<sup>th</sup> in subsidized private-school choice, 33<sup>rd</sup> in home-schooling choice, and 44<sup>th</sup> in public-school choice (Greene, 2001).

There are several methods that the state of Virginia could use to improve their ranking on the EFI. One of these methods is school vouchers. School vouchers are government funds that are provided to parents to help pay for their children’s private school tuition (Schaeffer, 2006). The problem with school vouchers is that they take funding away from public schools. This has made school voucher programs very controversial, and thus very hard to pass through any legislative body.

Another possible method, one that offers more promise, is education tax credits. Unlike school vouchers, education tax credits reimburse economically disadvantaged families for the cost of tuition and other educational expenses, to make it more affordable to send their children to private school. This method has the added benefit of not being

as controversial as school vouchers because it does not directly fund private schools (Schaeffer, 2006).

### **STATEMENT OF THE PROBLEM**

The purpose of this study was to determine the interest in a Virginia educational scholarship program that would provide a tax credit to any private corporation donating to nonprofit organizations providing education improvement scholarships to underprivileged students, in order for them to attend nonpublic schools.

### **RESEARCH QUESTIONS**

To answer the problem of this research study the following questions were used as a guide:

1. Are Portsmouth residents in favor of implementing an educational tax credit program that will allow private corporations to receive a tax credit for donating to nonprofit organizations providing education scholarships to underprivileged students in order for them to attend nonpublic schools?
2. Is there a correlation between residents in favor of an educational tax credit program and residents with school aged children?

### **BACKGROUND AND SIGNIFICANCE**

In 1792 legendary Pamphleteer and founding father Thomas Paine proposed the first voucher like program in England, writing that “public schools do not answer the general purpose of the poor” (Paine, 1792, p. 132). However, being that Britain was still a monarchy; the idea did not catch hold. Then in 1869 the state of Vermont adopted the first school voucher program. The reason it was needed was that Vermont’s constitution stated that “A competent number of schools ought to be maintained in each town for the



convenient instruction of youth” (Sternberg, 2001). The problem was that it took far too long for the government to build the schools, because of this, dozens of private academies where established around the smaller townships in order to provide children with an education. When public schools where finally built, they were primarily for older students, and as a result, the state of Vermont enacted a school voucher program for towns without adequate public schools, allowing students to attend the local private academies (Sternberg, 2001).

Over the last several decades school vouchers, sometimes referred to as education vouchers, have started becoming more popular; the idea being to provide either a voucher or a tax-credit to parents that wish to send their children to a private school. As it stands now, parents must pay their children’s private school tuition out of pocket, while at the same time paying taxes for the public schools that their children do not attend. This means that in general, only wealthy households can afford the luxury of choosing the school that they want their children to attend.

This debate has created a controversy across the country, divided mostly along clear partisan political lines. Traditionally Republicans have been in favor of school vouchers believing that parents should be able to choose the schools that their children attend and not be assigned to a school based on their geographic location (Friedman, 2007). In contrast, Democrats believe that the reason schools are failing is because of restricted funding in an environment of increasing costs, and that any school voucher program would take much-needed funding away from public schools, making schools that are already struggling even worse (Messerli, 2012).

Currently nine states and the District of Columbia have school voucher programs, most of which are restricted to students at inner-city schools or students with special needs. But the problem in states like Virginia is that its constitution has what is known as the “Blaine” amendment in it; this “prohibits the use of public money for tuition in private or sectarian schools” (Schaeffer, 2006, p. 1), and because of this amendment, traditional school vouchers are essentially unconstitutional.

However, in 2001, a new idea emerged, called the Educational Improvement Tax Credit (EITC). The EITC provides tax breaks to private corporations who donate to nonprofit organizations that provide private school scholarships to underprivileged students. Pennsylvania was the first state to implement an EITC program (About EITC, n.d.), and since then eight other states have followed suit (Burke & Sheffield, 2011). In 2011, Republicans in Virginia’s House of Delegates Passed HB2314, a bill that would have given businesses a 70% tax credit on any money or properties donated to EITC scholarship programs. The bill, however, was stopped in the State Senate Finance Committee (HB 2314, 2011).

On January 10<sup>th</sup>, 2012, the Virginia House of Delegates sent HB 321 to the House Appropriations Committee for consideration. This house bill is the same as HB 2314 from 2011. And as with HB 2314, the Republicans are determined to pass it, and the Democrats have vowed to defeat it. However, it is already known how politicians feel about this topic. What is not known, what needs to be known, is how do the people feel about it? How do the parents, whose children would benefit from this type of program, feel about it? And how do the tax payers, who would ultimately finance the program, feel about it?

## **LIMITATIONS**

The limitations of this study were as follows:

1. This study was specifically limited to the residents of Portsmouth, Virginia, as they are the subjects of this study.
2. The study was limited to the residents' opinions of the Educational Scholarship Tax Credit.

## **ASSUMPTIONS**

In this study there were several assumptions the researcher assumed to be true and correct. The assumptions were as follows:

1. Participants of this survey will choose what they believe is best for their children and the children of their community.
2. The group of participating residents provided a reasonable sampling of the general Portsmouth population.

## **PROCEDURES**

This research was conducted as a survey of the residents of Portsmouth, Virginia, in order to determine if they would support an education improvement tax credit. The survey questions were developed and linked to the research questions. The surveys were conducted over the phone. The results of the surveys were then tabulated to obtain information on residents' interest in the Education Scholarship Tax-Credit.

## **DEFINITION OF TERMS**

The following terms and definitions are offered to clarify and define words or ideas which may be specific to this study.

**Blaine Amendment:** A constitutional amendment that exists in 38 states that prohibits the use of public funds on private sectarian schools.

**EFI:** The Education Freedom Index ranks states by the extent of government-subsidized or -regulated educational choices offered to families in that state.

**EITC:** The Education Improvement Tax Credit provides tax breaks to private corporations who donate to nonprofit organizations that provide private school scholarships to underprivileged students.

**HB 2314:** Education Scholarship Tax Credit legislation that was introduced in the Virginia House of Delegates in 2010.

**HB 321:** Education Scholarship Tax Credit legislation that was introduced in the Virginia House of Delegates in 2011.

**Pamphleteer:** A Pamphleteer is someone who would print and distribute pamphlets in order to spread their ideas and sway public opinion.

## **OVERVIEW OF CHAPTERS**

This chapter reviewed the history of the school vouchers, from Thomas Paine's first mention of them in his pamphlet, *The Rights of Man*, through its first utilization in Vermont, to its controversy that is currently being discussed in the nation. This chapter then detailed the legislation currently going through the Virginia state legislator, the terms associated with school vouchers, and the procedures that will be used to gather the data utilized in this study.

Chapter II provides an overview of literature written about education tax credits, their financial impact on the public school system, and the public opinion surveys conducted on school vouchers and educational tax credits. Chapter III explains how the study was

conducted, the data collection procedures used, and the population that was researched. After tabulating the data, Chapter IV provides a summary and analysis of the findings. Chapter V provides a summary and conclusion of the study. It also makes recommendations for future study.

## **CHAPTER II**

### **REVIEW OF LITERATURE**

This review of literature is presented to provide the reader with an additional framework for the problem statement. The first section gives an overview of the research that was previously written on the topic of education tax credits, while the second section covers the public opinion polls that have been conducted concerning the implementation of education tax credit programs in various states across the country.

### **EDUCATION TAX CREDIT**

There are three different types of education tax credit programs: the personal tax credit, the donation tax credit, and the universal tax credit. Though they all work in different ways, all three of these programs provide a net increase in educational freedom.

The personal tax credit provides parents with a tax deduction for a portion of their children's private school tuition. This type of educational tax credit tends to be more beneficial to higher-income families, as they typically have a larger tax liability (Schaeffer, 2007).

The donation tax credit, also called an education scholarship tax credit, provides tax credits to private corporations who donate to nonprofit organizations that provide private school scholarships. This type of tax credit tends to be more beneficial to lower-income families, as most of the scholarships will be awarded based on financial need (About EITC, n.d.).

Universal tax credit programs are generally a combination of the personal and donation tax credit programs. In 1997 the Mackinac Center for Public Policy published a report on universal tax credits; according to their plan "the tax credit may be claimed by

any tax payer – individual or corporate” (Anderson, McLellan, Overton, & Wolfram, 1997, p. 2). This means that it does not just have to be the parents of the children, but as the report puts it, it could be “relatives, friends, neighbors or businesses” (Anderson, 1997, p. 2).

### **EDUCATION IMPROVEMENT SCHOLARSHIP TAX CREDIT**

Most of the literature that has been written on the subject of education tax credits has focused on the fiscal impact of these programs on the public school system. The reason for this is that the primary argument used against school choice programs is that they take critical funding away from public schools, schools that are in desperate need of more funding (Messerli, 2012). However, according to several studies, this could not be further from the truth.

Brian Gottlob from the Foundation for Educational Choice reports that in Nebraska “every dollar of increased state aid to schools produces only an additional 47 cents of school spending” (Gottlob, 2010, p. 6). The reason for this disparity is that every time the state government increases its level of funding to public schools, the school districts respond by reducing local spending; for this reason the full effect of the state spending increase is not realized. This is not the case with a tax-credit scholarship program, where every dollar spent in the program goes straight to the student’s educational needs (Gottlob, 2010).

Like Nebraska, data show that in Oklahoma the school districts only get 32 cents of every dollar of increased state aid; “by contrast, for every dollar spent on a tax-credit scholarship program, 90 cents goes directly to a child’s scholarship and education” (Gottlob, 2011, p. 2).

Another point that needs to be made is that just because a student leaves the public school system, it does not necessarily mean that the school district will lose funding, at least not all of it. In fact, only a small portion of a schools funding is tied to enrollment. The majority of the funding comes from local property taxes, and their level of funding is based on the local property values and tax rates (Gottlob, 2010).

Of the nearly \$2.8 billion dollars spent every year on Nebraska's public school system, approximately \$1.5 billion comes from local sources, just over \$1 billion comes from state sources, and less then \$300 million from federal sources. Based on 291,000 students currently attending public school in Nebraska, local school districts receive approximately \$9,434 per student. If public school attendance were to drop next year by 10,000 students, revenues would decrease by an estimated \$26 million dollars. Running the math, one discovers that the new level of funding per student is \$9,676, an overall increase of \$242 per student (Gottlob, 2010).

Based on the report by Brian Gottlob (2010) at The Foundation for Education Choice: When students leave Nebraska public schools in significant numbers, local school districts experience reductions in expenses that are greater than the reduction in state aid. In addition, school district revenues from local sources do not decline when enrollments decline. Because expenses decline more than revenues when students leave public schools, there is a net gain of resources available to students who remain in the public schools equal to \$7,765 per public school student using a scholarship. (p. 5)

Though not as financially liberating as Nebraska's program, Oklahoma's public school system would still benefit from an education scholarship tax credit program.



Every year Oklahoma spends just under \$4.5 billion on education, more than half of which (approximately \$2.8 billion) comes from state sources. Of the remaining \$1.7 billion in school funding, about \$1.1 billion comes from local sources and \$600 million from federal sources. With 638,000 students attending public schools in Oklahoma this equates to \$6,985 per student. Running the same calculations as the Nebraska study, Brian Gottlob (2011) was able to determine if public school attendance were to drop by 10,000 students, the state of Oklahoma would realize an effective per student funding increase of \$50.

Conservative estimates predict that over 10 years the education scholarship program could produce as much as \$126 million in net benefits to the state of Oklahoma. As the program becomes more popular and parents become more aware of the benefits of the program, more scholarships will be awarded and the fiscal benefits to states will continue to grow (Gottlob, 2011).

These are just two examples of how an education scholarship tax credit program can benefit school districts across the country, by providing both an increase in per student revenues and providing parents an opportunity to choose where their children go to school.

### **OPINION POLLS**

In 2009 a survey was conducted by Paul DiPerna at The Friedman Foundation for Educational Choice. As a part of the survey, a total of 7,456 phone calls were made throughout the state of Virginia. “Of these calls... 2,427 were disconnected, busy, non-residential, or non-answers; 3,452 were usable phone numbers but eligibility unknown (including refusals); 360 did not currently qualify as likely voters; 14 did not complete the survey” (DiPerna, 2009, p. 11). This left 1,203 phone interviews that could be used

for the survey. The purpose of the survey was to “measure voter knowledge and attitudes toward public institutions and policies, innovative ideas, and the state’s K-12 education system” (DiPerna, 2009, p. 8).

Many different questions were asked of the respondents, some dealing with school vouchers and tax credits, others were about how Virginia’s public schools rated, and whether they supported performance pay for teachers. When asked how they felt about Virginia’s public schools, 62% of respondents said that they felt “Good” or “Excellent.” Breaking the numbers down regionally, it was discovered that among the respondents in the Tidewater area, 53% answered in the positive, while 70% of respondent from Northern Virginia answered positively (DiPerna, 2009).

When asked what type of school they would select in order to obtain the best education for their children, 42% of likely Virginian voters said they would leave their children in the public school system, 35% reported that they would like to put their children in a private school, 10% selected charter school, 9% would like to home school their children, and the remaining 1% said they would opt for virtual schools (DiPerna, 2009).

Perhaps the most relevant question posed to Virginian voters, at least in regards to this research study, is the question on school vouchers and tax-credit scholarships. And according to respondents, 67% of registered Republicans, 58% of Independents, and 53% of Democrats are in favor of school vouchers. When asked about tax-credit scholarship programs the numbers became even better: 68% of Republicans, 66% of Independents, and 64% of Democrats replied that they were in favor of a tax-credit scholarship program (Diperna, 2009).

## **SUMMARY**

Reviewing the studies that have been produced over the last few years, it becomes clear that education scholarship tax-credit programs, if designed and implemented correctly, can have a positive impact on the state. Not only can they save the state 10's of millions of dollars over a 10 year period, they have the added benefit of being very popular with voters. And not just with Republicans, but with Independents and Democrats as well. Chapter III will focus on the methods and procedures for conducting this study to include defining the population, instrument, and data collection strategies.

### **CHAPTER III**

#### **METHODS AND PROCEDURES**

The purpose of this study was to determine if the residents of Portsmouth, Virginia, were in favor of implementing an education scholarship tax-credit program. This type of program would provide tax-credits to businesses who donated either property or money to organizations that provide education scholarships to underprivileged children. This chapter identifies the methods and procedures that were used to collect and analyze the data used in this study. The researcher will also identify the population used for the study, the instrument used, the research methodology used, and the type of statistical analysis performed.

#### **POPULATION**

The population for this study was a random sample of residents of Portsmouth, Virginia. According to the 2010 U.S. census, the city of Portsmouth has a population of 95,535. Of these persons 53.3% are African American, 41.6% are White/Non-Hispanic, and 3.1% are Hispanic or Latino. Looking at the gender distribution, 51.9% are female and 48.1% are male. In order to achieve a confidence level of 95% with a margin of error of +/- 5, it was determined that a sample size of 383 participants would be necessary. With this in mind, the researcher chose names at random from the Portsmouth phonebook until 383 surveys had been completed.

#### **INSTRUMENT DESIGN**

The instrument selected for this research study was a survey. The survey consisted of three open form questions, intended to allow the participants the opportunity to freely express their feelings and opinions about the proposed education scholarship tax-credit

program. Questions 1 and 2 were developed to answer Research Question 1, by determining the rates of familiarity and favorability of the proposed law by the respondents. Survey Question 3 was designed to allow the researcher to differentiate between respondents with school ages children and those without. This step was necessary in order to answer Research Question 2. See Appendix A for a copy of the survey.

### **METHODS OF DATA COLLECTION**

The survey was conducted as a telephone interview. The researcher conducted telephone interviews using phone numbers chosen at random from the Portsmouth phone book. After a brief introduction, each respondent was asked the three survey questions and were given as much time as they desired to answer.

### **STATISTICAL ANALYSIS**

The responses were compared to determine if there was a difference between Portsmouth residence in favor of an education scholarship tax-credit program and those opposed to it. Responses to the open-form questions were sorted by question and listed by number and frequency of occurrence. A secondary analysis was then conducted to determine if there was a significant difference in opinion between those residents with school aged children and those without using Chi-Square statistics.

### **SUMMARY**

This chapter outlined the methods and procedures used to collect data for this study. The survey was conducted to compare the opinions of Portsmouth residents on the implementation of an education scholarship tax-credit program to determine if there was a significant difference between those in favor of the program and those opposed to it.

The researcher also looked at the instrument design and the statistical analysis that will be applied to the data. In Chapter IV, the results of the findings will be presented.

## CHAPTER IV

### FINDINGS

The purpose of this study was to determine the interest in a Virginia educational scholarship program that would provide a tax credit to private corporations donating to nonprofit organizations providing education improvement scholarships to underprivileged students in order for them to attend nonpublic schools. This chapter will provide an overview of the findings and the result of a statistical analysis comparing the number of residents in favor of the legislation to those opposed to it.

### RESPONSE RATE

The findings presented in this chapter are the results of a telephone survey in which 527 households in the Portsmouth area were contacted. The survey was conducted from the 1<sup>st</sup> of June through the 3<sup>rd</sup> of July 2012. Of the 527 households that were contacted, 93 did not answer the phone and 51 declined to participate, while the remaining 383 households answered all questions asked of them in the survey. Table 1 shows the response rate.

Table 1

*Percentage of Surveys Completed*

Households Contacted	Total Participated	Percentage
527	383	72.30%

### REPORT OF SURVEY FINDINGS

Statistical analyses of the responses from the participants for each of the three survey questions are presented. Survey Question 1 asked the respondents if they were familiar

with the Educational Improvement Tax-Credit (EITC) program. Of the 383 participants, 261 reported that they were at least somewhat familiar with the program. Table 2 displays the familiarity rates.

Table 2

*Familiarity Rates*

Participants	Percent Familiar	Percent Unfamiliar
383	68.10%	31.90%

Survey Question 2 asked the respondents if they would support or oppose the implementation of this kind of program in Virginia. Of the 261 participants that reported being familiar with the program, 125 (47.9%) reported they had a favorable opinion of the program, 84 (32.2%) reported they had an unfavorable opinion of the program, and 52 (19.9%) were undecided.

After receiving a brief description of the H.B. 321 (see Appendix B for the description that was provided to participants), the 122 participants, who reported being unfamiliar with the program, were then asked Survey Question 2. Of the 122 respondents, 55 (45.1%) had a favorable opinion of the program, 36 (29.5%) expressed unfavorable opinions, and 31 (25.4%) were undecided. The similarity in response rates between the participants who were previously familiar with the program and those that were not, indicated to the researcher that the explanation of the program that was provided to the unfamiliar did not overly bias the respondents. Table 3 shows the overall favorable/unfavorable rate of the EITC program.



Table 3

*Favorability Rate*

Participants	Favorable	Unfavorable	Undecided
383	47.00%	31.30%	21.70%

Survey Question 3 asked the respondents if they had children under the age of 18. Of the 383 respondents, 257 reported that they did have school aged children; while 126 reported that they either did not have children or that their children were over the age of 18.

A secondary analysis was then conducted to determine if there was a noticeable difference in the favorable/unfavorable rate between respondents with school aged children compared to those without. Table 4 expresses this difference as a percentage. The data were subjected to a Chi-square test, resulting in a Chi-square value of  $X^2=7.89$  at 2 degrees of freedom. The level of significance at  $p > 0.05$  was 5.99. Table 5 summarizes the results of the Chi-square test.

Table 4

*Differences between Parents with School Aged Children and Those Without.*

Participants	Favorable	Unfavorable	Undecided
With School Aged Children	51.75%	29.18%	19.06%
Without School Aged Children	37.30%	34.12%	28.57%

Table 5

*Statistical Analysis of Differences between Parents with School Aged Children and Those Without*

	Respondents with School-Aged Children	Respondents without School-Aged Children
Favorable	133	47
Unfavorable	75	43
Undecided	49	36

### SUMMARY

In this chapter, the researcher collected data from respondents in a telephone interview, detailing their opinions about the Educational Scholarship Tax-Credit program. Data were processed as a statistical percentage, and a secondary Chi-Square analysis was conducted to determine the level of significance in favorability between respondents with school-aged children and those without. Chapter V will provide a summary of the research, a conclusion to the research questions, and make recommendations based upon the results of the study for future research.

## **CHAPTER V**

### **SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS**

The purpose of this chapter was to provide a summary of the research study. The conclusions and the recommendations collected were also provided in this chapter. They were based on the information collected and analyzed by the researcher of this study.

#### **SUMMARY**

The purpose of this study was to determine the interest in a Virginia Educational Scholarship Tax-Credit program that would provide tax credits to private corporations donating to nonprofit organizations providing education scholarships to underprivileged students in order for them to attend nonpublic schools. The following research questions were developed by the researcher to address this study, (1) Are Portsmouth residents in favor of implementing an educational tax credit program that will allow private corporations to receive a tax credit for donating to nonprofit organizations providing education improvement scholarships to underprivileged students in order for them to attend nonpublic schools?, and (2) Is there a correlation between residents in favor of an educational tax credit program and residents with school aged children?

Due to pecuniary restraints the research study was specifically limited to the adult residence of Portsmouth Virginia. As a means of controlling the scope of the research study a second limitation was placed on the research limiting it to Education Scholarship Tax-Credit program currently being debated in the Virginia State legislature.

A review of literature was conducted in order to provide an overview of similar programs that have been put into place in Nebraska and Oklahoma and to provide the

reader with a brief run down of the positive and negative impacts that these programs have had on their local communities. It also looked at a state wide poll that was conducted in 2009 to ““measure voter knowledge and attitudes toward public institutions and policies, innovative ideas, and the state’s K-12 education system” (DiPerna, 2009, p. 8).

After the review of literature was complete, a telephone survey was conducted to collect data and provide answers to the research questions outlined in the study. The researcher conducted telephone interviews using phone numbers chosen at random from the Portsmouth phone book. After a brief introduction, each respondent was asked the three survey questions and were given as much time as they desired to answer. Based on the results of the survey, conclusions and recommendations where made.

## **CONCLUSIONS**

There were several conclusions drawn from this study. Conclusions have been clustered around the study’s questions.

**RQ1: Are Portsmouth residents in favor of implementing an educational tax credit program that will allow private corporations to receive a tax credit for donating to nonprofit organizations providing education improvement scholarships to underprivileged students in order for them to attend nonpublic schools?**

Survey Question 1 addressed whether the target population was familiar with the Educational Improvement Tax-Credit program. This question produced a 68.1% positive response rate, indicating that the majority of participants were at least aware of the EITC program. Survey Question 2 asked the respondents whether their opinion of this program was favorable or unfavorable. Based on the responses from 383

respondents, the researchers concluded that 47.0% of Portsmouth residents over the age of 18 have a favorable opinion of the EITC program, while 31.3% view it unfavorable, and 21.7% have no opinion or are undecided.

**RQ<sub>2</sub>: Is there a correlation between residents in favor of an educational tax credit program and residents with school aged children?**

Survey Question 3 asked the respondents whether they had children under the age of 18. The reason for this question was to determine if parents with school aged children would be more likely to support an EITC type of program than residents without school aged children. Of the 383 residents that responded to the survey, 257 reported having children under the age of 18. Analyzing the responses showed that 51.7% of residents with school aged children reported having a favorable opinion of the EITC program, compared to 37.3% of residents without school aged children.

Applying Chi-Square statistical analysis to the data, the researcher found the resulting  $X^2$  value to be 7.886 with 2 degrees of freedom. The level of significance at  $p > 0.05$  was 5.99. Since  $X^2$  was larger than the level of significance at the  $p > 0.05$  level, the researcher observed that there was a significant difference in the favorability rate between respondents with school-aged children and those without.

## **RECOMMENDATIONS**

The researcher recommends the following:

1. This researcher recommends additional research be conducted on the specific costs to the Virginia tax payer of the Educational Improvement Tax-Credit program.
2. This researcher recommends a larger, more in-depth study of the entire population of Virginia in order to add to the growing body of research in the field of educational

opportunity and determine if the residents of Portsmouth are representative of the great Virginian population.

3. If further research yields similar results as this research study, this researcher would recommend that the Virginia State Legislature enact HB 321 or a similar EITC program.

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## **APPENDIX A**

### **Survey Questionnaire**

Hello, my name is Scott Bogle; I am a graduate student at Old Dominion University. I am conducting a survey of the local area and am hoping you will answer a couple of survey questions related to Educational Improvement Tax-Credits, which provide a tax-credit to local businesses that donate to organizations that provide educational scholarships to underprivileged children, allowing them to attend private schools that they would otherwise be unable to afford.

Are you familiar with the Educational Improvement Tax-Credit program?

Yes\_\_\_\_\_ No\_\_\_\_\_

Do you support or oppose this type of program being enacted in Virginia?

Yes\_\_\_\_\_ No\_\_\_\_\_

Do you have any children under the age of 18?

Yes\_\_\_\_\_ No \_\_\_\_\_

## **APPENDIX B**

### **Description of H.B. 321**

H.B. 321 establishes a credit beginning in taxable year 2013 for individuals, business entities, and corporations making monetary donations to nonprofit organizations providing education improvement scholarships to students whose family's annual household income is not in excess of 300 percent of the current poverty guidelines and certain students with disabilities, in order for them to attend nonpublic elementary or secondary schools. Nonprofit organizations to which donations are made would be required to distribute at least 90 percent of each donation in the form of scholarships to such students. The credit would equal 65 percent of the donation made. Any unused credit for the taxable year could be carried forward for five years. There is an annual cap of \$25 million in tax credits for the scholarship program. The Department of Education would administer the tax credit program.